



**Information Memorandum on the Connected Transaction
Of Master Ad Public Company Limited**

**Information Memorandum on the Connected Transaction of
Master Ad Public Company Limited**

The Board of Directors' Meeting of Master Ad Public Company Limited (the "**Company**") No. 11/2020 held on December 14, 2020 has passed the resolution to propose a shareholders' meeting of the Company to approve the amendment of the Advertising Media Management and Service Agreement dated January 15, 2020 (the "**Agreement**") with Plan B Media Public Company Limited ("**PLANB**") for an exemption on the payment of the minimum consideration for the quarter 3/2020 (during 1 October 2020 to 31 December 2020) and for the quarter 4/2020 (during 1 January 2021 to 31 March 2021), of which details are specified in Section 3 of this document (the "**Transaction**").

The Transaction constitutes a connected transaction pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions and the Notification of the Board of Governor of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 (2003) (as amended) (the "**Connected Transaction Notifications**"). This is because VGI Public Company Limited ("**VGI**"), a major shareholder of the Company (holding 26.58 percent of total paid-up shares of the Company as of July 29, 2020), is also a major shareholder of PLANB (holding 19.58 percent of total paid-up shares of PLANB as of November 25, 2020), therefore, PLANB becomes a connected person of the Company. The value of the minimum consideration according to the Agreement that will be exempted for PLANB for the quarter 3/2020 (during 1 October 2020 to 31 December 2020) and for the quarter 4/2020 (during 1 January 2021 to 31 March 2021), will be equivalent to the transaction size of 14.87 percent of Net Tangible Assets (NTA) of the Company¹ as appeared in the reviewed consolidated financial statements of the Company for the accounting period ending September 30, 2020, and after computing the foregoing with other connected transactions of the Company within the past 6 months before the entry into the Transaction, the total connected transaction size of the Company with which were made with PLANB within the past 6 months is equivalent to 18.87 percent which is more than 3 percent, of total NTA of the Company. Therefore, the Company is required to undertake the following actions:

- 1) to disclose information regarding the Transaction to the Stock Exchange of Thailand ("**SET**") pursuant to the Connected Transaction Notifications;
- 2) to hold for a shareholders' meeting of the Company to approve the Transaction where the resolution must be passed by a vote of not less than three-fourths of the total votes of the shareholders attending the meeting and entitled to vote, excluding the votes of the shareholders having an interest in the matter from the calculation base; and
- 3) to appoint an independent financial advisor (IFA) to give an opinion on the Transaction and submit such opinion to the Office of the Securities and Exchange Commission (the "**SEC Office**"), the SET and the shareholders of the Company. In this regard, the Company has appointed Grant Thornton Services Co., Ltd., to be the IFA for the entry into this Transaction.

In this regard, the Company would like to disclose information regarding the Transaction pursuant to the Connected Transaction Notifications, with necessary information for shareholders' decision as follows:

¹ The calculation of such Transaction size is based on the assumption that the Company exempts the payment of the minimum consideration to PLANB in full amount for the quarter 3/2020 (during 1 October 2020 to 31 December 2020) and for the quarter 4/2020 (during 1 January 2021 to 31 March 2021) and the Company does not receive any consideration from the sales of advertising media pursuant to the Agreement from PLANB during the aforementioned period. However, in practice, even the Company has granted an exemption to PLANB on the payment of the minimum consideration in such period, the Company will still receive the consideration from PLANB from the sales of advertising media to the customers at the rate 85 or 90 percent (as the case may be) of the actual revenue that PLANB has received from the sales of advertising media of the Company pursuant to the Agreement.

1. Date / Month / Year of the Transaction

The Company will enter into the Amendment Advertising Media Management and Service Agreement (“**Amended Agreement**”) with PLANB within January 2021, whereby the effectiveness of such Amendment Agreement shall be subject to the approval of the shareholders’ meeting of the Company for the entering into the Transaction.

2. Contractual Parties and Relationship with the Company

Grantor : Master Ad Public Company Limited

Grantee : Plan B Media Public Company Limited

Relationship with the Company : As of the date of this Information Memorandum, the Company and PLANB have the same major shareholder, i.e. VGI. As VGI holds 26.58 percent of the total paid-up shares of the Company as of July 29, 2020 and holds 19.58 percent of the total paid-up shares of PLANB as of November 25, 2020, PLANB becomes a connected person of the Company pursuant to the Connected Transaction Notifications.

General Information of PLANB

Company name : Plan B Media Public Company Limited

Type of business : PLANB provides Out-of-Home media and production services, which can be divided into the following 7 categories:

- (1) Transit media, focusing on advertising media outside and inside the air-conditioned buses and advertising media in Metropolitan Rapid Transit (MRT);
- (2) Classic media;
- (3) Dynamic media;
- (4) Mall media;
- (5) In-Store media;
- (6) Airport media; and
- (7) Online media

Registration no. : 0107556000507

**Registered capital
(as of October 30, 2019)** : THB 458,848,957.40

**Paid-up capital
(as of October 30, 2019)** : THB 388,256,810.10

Head office address : 298/64-65 Pitsanulok Road, Siyakmahanak, Dusit, Bangkok 10300

Website : www.planbmedia.co.th

Board of Directors

The Board of Directors of the PLANB as of December 14, 2020 consists of the following members:

Lists of names of the Board of Directors	Position
1. Pol. Gen Somchai Vanichsenee	Chairman of the Board of Directors / Independent Director / Chairman of the Audit Committee
2. Mr. Palin Lojanagosin	Director / Chief Executive Officer/ Chairman of Executive Director
3. Dr. Pinijsorn Luechaikajohnpan	Director / Managing Director
4. Mr. Ekapak Nirapathpongporn	Director
5. Mr. Mana Jantanayingyong	Director
6. Mr. Arnon Porndhiti	Director
7. Mrs. Pennapha Dhanasarnsilp	Independent Director / Member of the Audit Committee
8. Mrs. Monluedee Sookpantararat	Independent Director / Member of the Audit Committee

List of major shareholders

List of top 10 major shareholders of PLANB as of November 25, 2020 are as follows:

Major shareholders	No. of Shares	Shareholding Percentage
1. Mr. Palin Lojanagosin	974,068,100	25.09
2. VGI Public Company Limited ⁽¹⁾	760,181,005	19.58
3. Mr. Suchart Luechaikajohnpan	192,587,658	4.96
4. Bualuang Long-Term Equity Fund	190,610,500	4.91
5. Thai NVDR Co., Ltd.	138,938,311	3.58
6. Bualuang Long-Term Equity Fund 75/25	96,043,800	2.47
7. Miss Onnalin Lojanagosin	68,301,362	1.76
8. THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED ⁽²⁾	66,340,000	1.71
9. Bualuang Flexible RMF	64,138,600	1.65
10. K 20 Select Long-Term Equity Fund	58,272,000	1.50

Remarks:

⁽¹⁾ As of July 29, 2020, VGI holds 26.58 percent of the total paid-up shares of the Company. In addition, BTS Group Holdings Public Company Limited (“**BTSG**”), a major shareholder of the Company

(holding 14.58 percent of the total paid-up shares of the Company as of July 29, 2020), is also a major shareholder of VGI (holding 21.45 percent of the total paid-up shares of VGI as of July 24, 2020).

- (2) THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED is a foreign financial institution.

3. Characteristics of the Transaction

Previously, the Board of Directors' Meeting of the Company No. 7/2020 held on August 11, 2020 has passed the resolution to approve (1) the reduction of minimum consideration for the remaining term of the Agreement from THB 175,000,000 per quarter to THB 169,105,299 per quarter due to the significant decrease of advertising boards of the Company after entering into the Agreement and (2) the reduction of minimum consideration for the quarter 2/2020 (during 1 July 2020 to 30 September 2020) from THB 169,105,299 per quarter to THB 84,000,000 per quarter, as PLANB was affected materially from coronavirus pandemic situation with the following main reasons:

- 1) The adjustment of the consideration due to the reduction of the media capacity of the billboards is in accordance with the provisions by which the Company are bound under the Agreement. In addition, the adjustment value of minimum consideration is in line with the formula specified in the Agreement and does not create additional benefits or misappropriation of benefits to PLANB; and
- 2) The adjustment of the consideration for PLANB for the quarter 2/2020 (during July 1, 2020 to September 30, 2020) due to the effects from COVID-19 pandemic situation is in the same standard as the reduction of selling price of Out-of-Home media by other operators and in the same standard with the reduction of selling price of Out-of-Home media by the Company to its other customers who entered into the sale of advertising media agreements with the Company before the Company executed the Agreement with PLANB, and such agreements were still in effect. Therefore, such adjustment of the consideration to PLANB is reasonable, given to the situation at that time, and does not create additional benefits to PLANB.

Moreover, the Company viewed that the said adjustment of the minimum consideration under the Agreement is fair and does not create the misappropriation of benefits according to clause 7(5) of the Connected Transaction Notifications. The Company, therefore, is not required to undertake the actions required under the Connected Transaction Notifications,

In this regard, details of the aforementioned adjustments of minimum consideration are appeared in the Information Memorandum regarding the Adjustment of Minimum Condition under the Agreement dated August 11, 2020 and the Information Memorandum regarding Additional details regarding the Adjustment of Minimum Condition under the Agreement dated September 2, 2020 (as amended) which the Company has already disclosed to the shareholders via the SET Electronic Listed Company Information Disclosure (ELCID).

However, Out-of-Home media industry, including PLANB (i.e. the advertising manager of the Company), was still materially affected from the coronavirus pandemic situation as well as the enforcement of policies by the government for prevention of the said situation, in particular the effect on PLANB's sales of advertising media, therefore, PLANB requested the Company to mutually consider the amendment to the Agreement for the exemption of the obligation to pay the minimum consideration under the Agreement for the quarter 3/2020 (during 1 October 2020 to 31 December 2020) and for the quarter 4/2020 (during 1 January 2021 to 31 March 2021) due to the effect from the coronavirus pandemic situation.

In this regard, PLANB has submitted the letters to the Company on December 8, 2020 and December 24, 2020 requesting the Company to amend the Agreement, whereby the key terms and the scope of the amendment to the Agreement are summarized as follows:

1. Parties

- Master Ad Public Company Limited (Grantor)
- Plan B Media Public Company Limited (Grantee)

2. Enforcement Condition of the Amended Agreement

The Amended Agreement shall become effective only if the shareholders’ meeting of the Company passes the resolution to approve the entering into this Transaction.

3. Key terms being amended in the Amended Agreement

Topics	Previous terms	New terms
<p>1. the exemption on the payment of the minimum consideration under the Agreement for the quarter 3/2020 and for the quarter 4/2020</p>	<p>PLANB shall pay the minimum consideration for the quarter 3/2020 (during 1 October 2020 to 31 December 2020) and for the quarter 4/2020 (during 1 January 2021 to 31 March 2021) totaling THB 316,107,084.16 (such amount is being calculated pursuant to the formula specified in the Agreement based on the minimum consideration rate which has been reduced in accordance with the resolution of the Board of Directors’ Meeting No. 7/2020 held on August 11, 2020 which the Company has already disclosed to the shareholders via the SET Electronic Listed Company Information Disclosure (ELCID)).</p>	<p>If PLANB pays the Company the minimum consideration pursuant to the Agreement for the period of April 1, 2021 to March 31, 2022 to in the amount of THB 700,000,000 in advance (“Advance Payment”) within 15 days from the date that the shareholders’ meeting of the Company passes the resolution to approve the entering into this Transaction, the Company agrees to exempt PLANB’s obligation in paying the minimum consideration for the quarter 3/2020 (during 1 October 2020 to 31 December 2020) and for the quarter 4/2020 (during 1 January 2021 to 31 March 2021), whereas the Company will still receive the consideration from PLANB from the sales of advertising media to the customers at the rate 85 or 90 percent (as the case may be) of the actual revenue that PLANB has received from the sales of advertising media of the Company pursuant to the Agreement.</p> <p>However, if it appears later that the minimum consideration according to the Agreement during the period of April 1, 2021 to March 31, 2022 is being reduced pursuant to the terms and conditions in the Agreement (“Actual Minimum Consideration”) and it occurs that the Company receives the Advance Payment in a value greater than the value of the Actual Minimum</p>

Topics	Previous terms	New terms
		Consideration, the Parties agree that PLANB shall be entitled to receive such difference between Advance Payment and Actual Minimum Consideration, by deducting such difference from the next payments of which PLANB is obliged to pay to the Company pursuant to the Agreement.
2. Undertaking not to request for any adjustment of the minimum consideration for the period of 1 April 2021 to 31 March 2022	-	PLANB will not request for further adjustment and/or exemption of the minimum consideration for the period of 1 April 2021 to 31 March 2022 unless such adjustment is due to the decrease of media capacity of the Company in accordance with the Agreement.

4. Total Value of Consideration

4.1. Value of Consideration

The value of consideration of the Transaction is calculated from the minimum consideration pursuant to the Agreement that the Company will exempt for PLANB for the quarter 3/2020 (during 1 October 2020 to 31 December 2020) and for the quarter 4/2020 (during 1 January 2021 to 31 March 2021) which is equivalent to THB 316,107,084.16.

In addition, PLANB agreed to pay the Company the Advance Payment in the amount of THB 700,000,000 within 15 days from the date that the shareholders' meeting of the Company passes the resolution to approve the entering into this Transaction, in which PLANB will make a one-time payment in full.

4.2. Basis Used to Determine the Value of Consideration

The value of the minimum consideration pursuant to the Agreement that the Company wishes to exempt for PLANB for the quarter 3/2020 (during 1 October 2020 to 31 December 2020) and for the quarter 4/2020 (during 1 January 2021 to 31 March 2021) is equivalent to THB 316,107,084.16, which is a result from the negotiation between the Company and PLANB. The Company has considered the exemption on the payment of the minimum consideration as requested from PLANB, together with the arrangement that PLANB will agree to pay an Advance Payment to the Company within 15 days after the date that the shareholders' meeting of the Company passes the resolution to approve the entering into the Transaction; and the Company views that the receipt of such Advance Payment is beneficial to the Company as the Company may utilize such consideration in other investments or use it as working capital of the Company.

4.3. Connected Transaction Size

The size of the Transaction between the Company and PLANB can be calculated from the minimum consideration according to the Agreement in which the Company will exempt for PLANB for the quarter 3/2020 (during 1 October 2020 to 31 December 2020) and for the quarter 4/2020 (during 1 January 2021 to 31 March 2021) in the amount totaling THB 316,107,084.16, equivalent to 14.87 percent

of the Net Tangible Assets (NTA) of the Company as appeared in the reviewed consolidated financial statements of the Company for the accounting period ending September 30, 2020. After computing the foregoing with other connected transactions of the Company within the past 6 months before the entry into the Transaction, the total connected transaction size of the Company which were made with PLANB within the past 6 months is equivalent to 18.87 percent of the Net Tangible Assets (NTA) of the Company.

In this regard, the Transaction size is more than 3 percent of total NTA of the Company. Therefore, this Transaction is considered as a connected transaction of the Company pursuant to the Connected Transaction Notifications.

However, the calculation of such Transaction size is based on the assumption that the Company exempts the minimum consideration to PLANB in full amount for the quarter 3/2020 (during 1 October 2020 to 31 December 2020) and for the quarter 4/2020 (during 1 January 2021 to 31 March 2021) and the Company does not receive any consideration from the sales of advertising media pursuant to the proportion specified in the Agreement from PLANB during the aforementioned period. However, in practice, even the Company has granted an exemption to PLANB on the payment of the minimum consideration in such period, the Company will still receive the consideration from PLANB from the sales of advertising media to the customers at the rate 85 or 90 percent (as the case may be) of the actual revenue that PLANB has received from the sales of advertising media of the Company pursuant to the Agreement.

4.4. The reduction of consideration and the conditions in relation to the reduction of consideration

The Company will exempt the minimum consideration under the Agreement for the quarter 3/2020 (during 1 October 2020 to 31 December 2020) and for the quarter 4/2020 (during 1 January 2021 to 31 March 2021) totaling THB 316,107,084.16 to PLANB only if the Company and/or PLANB have completely fulfilled the following conditions:

- (1) The Company and PLANB have signed the Amendment Agreement
- (2) The shareholders' meeting of the Company has approved the entering into the Transaction.
- (3) PLANB has paid an Advance Payment in full amount to the Company within 15 days after the date that the shareholders' meeting of the Company has passed the resolution to approve the entering into the Transaction.

5. Basis used for Determining the Entering into the Transaction and Expected Benefits for the Company from the Entering into the Transaction

5.1 Basis used for the Entering into the Transaction

In consideration of the entering into the Transaction, the Company has considered the benefits and effects on the Company by creating 4 assumptions for comparison of benefits and effects on the Company in case the Company enters and not enters into the Transaction, as follows:

- (1) In case where the Company enters into the Transaction;
- (2) In case where the Company does not enter into the Transaction and PLANB pays minimum consideration under the Agreement;
- (3) In case where the Company does not enter into the Transaction but PLANB does not pay minimum consideration under the Agreement, and the Company files lawsuit against PLANB and get paid the minimum consideration; and

- (4) In case where the Company does not enter into the Transaction but PLANB does not pay minimum consideration under the Agreement, and the Company files lawsuit against PLANB but does get paid the minimum consideration.

The Company has carefully reviewed the various factors for the comparison of such benefits and effects from those 4 assumptions, e.g. the revenue received by the Company, the possibility that PLANB will be able to pay minimum consideration under the current circumstance, litigation expenses, damages and dispute amount, the probability for winning the case, the availability and expenses for seeking new advertising manager, and long-term relationship with PLANB.

After the consideration of the aforementioned factors, the Company viewed that the entering into the Transaction will utmost benefits to the Company, This is because the Company will certainly receive the minimum consideration for the period of 1 April 2021 to 31 March 2022 in an amount of THB 700,000,000 in advance. Moreover, if the Company decides to enforce PLANB to pay full minimum consideration under the Agreement, there would be a high risk that PLANB is unable to perform such obligation under this situation and the Company must file lawsuit in order to enforce PLANB to pay such minimum guarantee, which, apart from times and expenses consumed, would interrupt good relationship between the Company and PLANB as strategic partners. In addition, the Company may need to seek for new advertising media who has the same qualifications and will be able to perform under the same terms and conditions as agreed with PLANB under the Agreement, which is difficult for the Company in this situation.

5.2 Expected Benefits for the Company from the Entering into the Transaction

If the Company enters into the Transaction this time, the Company will certainly receive the minimum consideration for the period of 1 April 2021 to 31 March 2022 in an amount of THB 700,000,000 in advance and the Company may utilize such consideration in other investments or use it as working capital of the Company. In addition, as PLANB agreed not to request for any adjustment and/or exemption of the minimum consideration for the period of 1 April 2021 to 31 March 2022 unless such adjustment is due to the decrease of media capacity of the Company in accordance with the Agreement, it is guaranteed that the Company will certainly receive the minimum consideration for such period, which is advantageous to the Company.

In addition, the Company may reduce the risks from filing a lawsuit to enforce PLANB to pay such minimum consideration, which would not only help the Company to save time and expenses, but also maintaining good relationship between the Company and PLANB as strategic partners. Also, the Company will not be required to seek for a new advertising media manager to replace PLANB.

6. Connected Person and Characteristics and Scope of Interests

PLANB is a connected person of the Company pursuant to the Connected Transaction Notifications because the Company has the same major shareholder with PLANB. As VGI, a major shareholder of the Company (holding 26.58 percent of the total paid-up shares of the Company as of July 29, 2020), is also a major shareholder of PLANB (holding 19.58 percent of the total paid-up shares of PLANB as of November 25, 2020).

In addition, the Company has the same major shareholder with VGI, i.e., BTSG a major shareholder of the Company (holding 14.58 percent of the total paid-up shares of the Company as of July 29, 2020), is also a major shareholder of VGI (holding 21.45 percent of the total paid-up shares of VGI as of July 24, 2020).

7. Directors Having an Interest and/or Being a Connected Person in this Transaction

-None-

8. Opinion of the Board of Directors

The Board of Directors' Meeting of the Company has considered to propose the shareholders' meeting to approve the entering into the Transaction due to the following reasons.

(1) **The exemption on the payment of the minimum consideration under the Agreement for the quarter 3/2020 and the quarter 4/2020**

The Board of Directors' views that as the economic condition and the operating results of all industries in Thailand at present including the Out-of-Home media industry have been affecting by the coronavirus pandemic situation and is likely to continue affecting. This is because the customers lose their interests in using Out-of-Home media as the number of traffic rates on streets and the users of public spaces, which are the target audiences, are materially declined from the coronavirus pandemic situation and the economic stagnation. The customers tend to cut their budgets for Out-of-Home media advertisement due to current economic situation where the growth of economy has been forecasted to be declined by 5-8 percent per year compare to year 2019. AS a result, the operators in the advertising market must reduce the sell price of advertising media in order to maintain their customer base. As such, the sales of advertising media, including PLANB's sale, have been severely facing with the crisis. Therefore, the determination in paying the minimum consideration, under the current circumstances, is beyond PLANB's ability. As such, PLANB has requested for an exemption on the payment of the minimum consideration, and PLANB will only pay for the portion derived from the actual revenue pursuant to the proportion specified in the Agreement.

Moreover, if the Company decided to enforce PLANB to pay minimum consideration pursuant to the previous rate under the Agreement, there would be high risk that PLANB would not able to perform such obligation under this situation. In case PLANB is in default of the Agreement, the Company must file lawsuit in order to enforce PLANB to pay such minimum consideration. Apart from times and expenses consumed, the lawsuit will interrupt good relationship as strategic partners between the Company and PLANB. In addition, it would be difficult for the Company to seek for new operator to manage the Company's advertising media who is qualified and will be able to perform under the same terms and conditions contained under the Agreement.

In this regard, from the negotiation with PLANB, PLANB agreed to pay an Advance Payment to the Company within 15 days after the date that the shareholders' meeting of the Company passes the resolution to approve the entering into the Transaction in exchange for the exemption of the payment on the minimum consideration for the quarter 3/2020 (during 1 October 2020 to 31 December 2020) and for the quarter 4/2020 (during 1 January 2021 to 31 March 2021) under the Agreement. The Board of Directors views that the receipt of such Advance Payment for year 2021 is beneficial to the Company as the Company may utilize such consideration in other investments or use it as working capital of the Company.

Therefore, considering from the abovementioned reasons, the Board of Directors has opined that an exemption of the payment on the minimum consideration under the Agreement for the quarter 3/2020 (during 1 October 2020 to 31 December 2020) and for the quarter 4/2020 (during 1 January 2021 to 31 March 2021) whereas PLANB will still pay the Company the portion derived from the actual revenue pursuant to the proportion specified in the Agreement is for the utmost benefit of the Company.

(2) **Undertaking not to request for any adjustment of the minimum consideration for the period of 1 April 2021 to 31 March 2022**

The Board of Directors views that the undertaking by PLANB not to request for any adjustment and/or exemption of minimum consideration will guarantee that the Company will certainly receive the minimum consideration during the said period, which is advantageous to the Company.

9. Opinion of the Audit Committee and/or any Director Which is Different from the Board of Directors' Opinion

- None -

10. Other material information

- None -